

AMENDMENT IN THE NATURE OF A SUBSTITUTE
To H.R. 5558
OFFERED BY MR. THOMAS

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Retirement Savings
3 and Security Act of 2002”.

4 SEC. 2. ACCELERATION OF INCREASES IN IRA CONTRIBU-
5 TION LIMIT.

6 (a) DEDUCTIBLE AMOUNT.—Subparagraph (A) of
7 section 219(b)(5) of the Internal Revenue Code of 1986
8 is amended to read as follows:

9 “(A) IN GENERAL.—The deductible
10 amount shall be \$5,000.”.

11 (b) CATCH-UP AMOUNT.—Subparagraph (B) of sec-
12 tion 219(b)(5) of such Code is amended to read as follows:

13 “(B) CATCH-UP CONTRIBUTIONS FOR INDI-
14 VIDUALS 50 OR OLDER.—In the case of an indi-
15 vidual who has attained the age of 50 before
16 the close of the taxable year, the dollar amount
17 in effect under paragraph (1)(A) for such tax-
18 able year (determined without regard to this
19 paragraph) shall be increased by \$1,000.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2002.

4 **SEC. 3. ACCELERATION OF SCHEDULED INCREASES IN**
5 **PENSION PLAN CONTRIBUTION LIMITS.**

6 (a) ELECTIVE DEFERRALS.—Subparagraph (B) of
7 section 402(g)(1) of the Internal Revenue Code of 1986
8 is amended by striking “the amount determined” and all
9 that follows and inserting “\$15,000.”.

10 (b) DEFERRED COMPENSATION PLANS OF STATE
11 AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANI-
12 ZATIONS.—Subparagraph (A) of section 457(e)(15) of
13 such Code is amended by striking “the amount deter-
14 mined” and all that follows and inserting “\$15,000.”.

15 (c) SIMPLE RETIREMENT ACCOUNTS.—Clause (i) of
16 section 408(p)(2)(E) of such Code is amended by striking
17 “the amount determined” and all that follows and insert-
18 ing “\$10,000.”.

19 (d) CATCH-UP CONTRIBUTIONS.—Subparagraph (B)
20 of section 414(v)(2)(B) of such Code is amended—

21 (1) in clause (i) by striking “determined” and
22 all that follows and inserting “\$5,000.”, and

23 (2) in clause (ii) by striking “determined” and
24 all that follows and inserting “\$2,500.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to years beginning after December
3 31, 2002.

4 **SEC. 4. SIMPLIFICATION AND UPDATING OF THE MINIMUM**
5 **DISTRIBUTION RULES.**

6 (a) REQUIRED DISTRIBUTIONS.—

7 (1) INCREASE IN AGE FOR REQUIRED BEGIN-
8 NING DATE.—Subparagraphs (C)(i)(I) and (C)(ii)(I)
9 of section 401(a)(9) of the Internal Revenue Code of
10 1986 are each amended by striking “70½” and in-
11 sserting “applicable age”.

12 (2) APPLICABLE AGE.—Subparagraph (C) of
13 section 401(a)(9) of such Code is amended by insert-
14 ing at the end the following new clause:

15 “(v) APPLICABLE AGE.—The applica-
16 ble age shall be determined in accordance
17 with the following table:

“Calendar year:	Applicable age is:
2003 and 2004	73
2005 and 2006	74
2007 and thereafter	75”.

18 (3) SPOUSE BENEFICIARIES.—Subclause (I) of
19 section 401(a)(9)(B)(iv) is amended by striking
20 “70½” and inserting “the applicable age”.

21 (4) ACTUARIAL ADJUSTMENT OF BENEFIT
22 UNDER DEFINED BENEFIT PLAN.—Clause (iii) of

1 section 401(a)(9)(C) of such Code is amended to
2 read as follows:

3 “(iii) ACTUARIAL ADJUSTMENT.—

4 “(I) IN GENERAL.—In the case
5 of a defined benefit plan, an employ-
6 ee’s accrued benefit shall be actuari-
7 ally increased to take into account the
8 period after the applicable date during
9 which the employee was not eligible to
10 receive any benefits under the plan.

11 “(II) APPLICABLE DATE.—For
12 purposes of clause (I), the term ‘appli-
13 cable date’ means the April 1st fol-
14 lowing the calendar year in which the
15 employee attains age 70 $\frac{1}{2}$.”

16 (b) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by
18 this section shall apply to years beginning after De-
19 cember 31, 2002.

20 (2) TRANSITION.—A plan shall not be treated
21 as failing to meet the requirements of section
22 401(a)(9) of the Internal Revenue Code of 1986
23 merely because, in years beginning after December
24 31, 2002, no distribution is made to an employee be-
25 fore the employee’s required beginning date, as de-

1 terminated in accordance with the amendments made
2 by this section.